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UNTIL

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SERIAL NO. 1

C.O. 943/1/18

up to 1954.

Proposed division of Public Expenditure

Previous			
	m. ashton	30/11	
	1) H. 451.	1/12	✓
	2) H.03.	1/XII	
	3) H.531 PUT BY	31/1	
Subsequent	mr scott	31/1	
	H.531.	1/12	
	H. Scott.	1/2	
	H.531 PUT BY	16/6	
	M M Scott H.546 PUT BY		
H.531	10		
mr Ashton.	22/10		
1) H.431.	25/10		
2) Mr. Ashton.	25/10		
Sir G. Whitley	27/10		
MR. Palmer	29/11		
MR. Newsam	23/11		
mr Ashton.	24/11		
clerk J. D. B. Shaw	24/11		
Mr. Ashton.	1		
Sir G. Whitley	25/11		
H.431	26/11		
H.03	29/XI		
H.531	30/11		

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✓ 2nd
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1 Brunei Dept. 5.

24. 9. 49

Sir Gerald Whiteley

At (1) is the outline plan asked for in para.4 of (2) on 59710/49 behind.

2. I find it difficult to criticise because, in the absence of the Memorandum mentioned in para.2 of (1), one cannot tell how the figures of \$25M and \$10M were obtained. However the breakdown summarised in para.3 looks sensible; in particular, it allots an impressive proportion of the money to economic development (\$6M out of \$10M). I do not doubt that the State will be able to afford at least this expenditure of \$10M. between now and 1957. This appears so from the estimated revenue figures given in Appendix A of the State Treasurer's note at (9) on 59710/47 behind, which, according to the information below, is inclined to err on the cautious side.

1948

	<u>Treasurer's memo.</u>	<u>Actual (An.rep.1948)</u>	<u>Difference</u>
Non-Oil Revenue:	\$1,187,000	\$2,204,547	+\$1,017,547
Oil. Revenue:	\$4,000,000	* \$4,381,752	+\$381,752
Total:	\$5,187,000	\$6,586,299	+\$1,399,299

* includes Land Revenue from all sources

1949

	<u>Treasurer's memo.</u>	<u>1949 Estimates</u>	<u>Difference</u>
Non-Oil Revenue:	\$1,254,000	\$1,902,000	+\$648,000
Oil. Revenue:	\$4,000,000	* \$5,100,000	+\$1,100,000
Total:	\$5,254,000	\$7,002,000	+\$1,748,000

* Class IV, Item 2.

3. Two small points. Firstly, I take the word, 'Expenditure', in para.2 of (1) to mean 'Personal Emoluments & Other Expenditure Annually Recurrent.' Secondly, the reference in para.4(F)(vi) to the appointment of an Education Officer evidently comes from the 1948 Memorandum; as you know, the officer was appointed some months ago.

4. I doubt whether it would be worth while to circulate a summary of this kind to all the Advisers and Departments who would see a full Development Plan. I suggest that we obtain the comments of Mr. Palmer and Mr. Newsam and then decide what reply, if any, should be sent to (1).

K. J. Ashton
25/10

X plus General
Revenue Fund \$1.7m
+ Opium Reserve
\$ 3m = \$2.0
or \$7.66 in all.

Estimated Surplus on 1.1.49 was \$ 5.66 M.
Surplus of revenue over total exp. 1949 is
estimated at \$ 218,000. But 1949 exp.
includes \$ 4.29 M. Extraordinary exp., at least
half of which can be assumed to be on account
of rehabilitation. It seems clear therefore that

that once rehabilitation has been completed, - it must now be nearing completion - Brunei will have available from annual revenue something over \$2 M.^{p.a.} to spend on development. We can therefore accept the figures of available funds given in para 2 of (1) without hesitation. The ~~existing~~ plan now proposed is well within the states resources; indeed the only question is whether the plan is on a big enough scale. I would not however suggest any enlargement at the moment.

No doubt the plan has been drawn up to meet ~~the~~ local requirements & conditions & ~~the~~ most of the items listed on (1) will no doubt be revised upwards in scope (& cost) as the plan is put into execution.

As for the plan itself, this has been agreed locally by all concerned & in my opinion it represents a reasonable balance between Economic & Social development.

I should like to have comments of Finance & Economic Dpts in the first instance & then I think Advisers should see. Communications will be interested in item D. Judging from the amount provided for this item, improvements contemplated do not appear to be on a very ambitious scale such as is likely to affect the traffic using the N. Brunei ports whose reconstruction & development are at present under consideration.

x/°

G.C. Whitcher
27/10

(the territory is small & the population about 40,000)

I agree that a development plan costing \$10 millions should be well within Brunei's resources. The existing reserves amount to nearly \$8 millions; and if these were drawn upon in full (which may not be necessary) that would leave only \$2 millions to be found over 10 years from revenue. Projected oil revenues do not fall off to any extent (and this seems unlikely), Brunei would manage this quite comfortably.

B. Lawrence
7/11

It is difficult to judge the suitability of the schemes proposed in default of any further details. Many of the objects stated in the Despatch are extremely vague, and there is no indication as to how they are to be achieved. This applies specially to the important section on "rural development" and to a lesser extent to some of the others. The general balance of the proposals ~~xxxxxx~~ appears a priori to be reasonable, although it is probably less necessary in Brunei than in certain other territories to concentrate on economic development. The state is going to receive increasing revenues and the national income is going to be sensibly increased by the revenue from oil, - and this to a far greater extent than any efforts of the kind mentioned in the proposals. I feel that in this particular case the Administration could perhaps allocate a greater proportion of the funds available to social services, including medical, health and education facilities. But it would require more information than we possess to try to lay down any hard and fast line of action, although it may be possible to be more specific when the memorandum of the Development Secretary, Sarawak, turns up.

P. Selby

23/11

I have nothing to add to the preceding minute

M. Newson
23/11

Mr. Shaw.

Please see paras. 3 and 4(e)&(f)
of (1), with reference to 'X' in his
Gerald Whittley's min. of 27/10.

K. G. Ashton
24/11.

Seen with interest. Although ⁹⁵ Sir 5
Gerald Whitely suggests the improvements
are unlikely to be considerable, the
contents of para 4(D) of (1) might be
of interest to Parks Unit at J. Intelligence
Bureau. I have placed a dft. opposite
for subsequent repn. or 22693.

HOB Shaw

Draft agreed and sent separately
to H431 ^{24/11}.

K. Ashton
24/11.

Sir Gerald Whitely

We have spoken and agreed that
an acknowledgement, without criticism,
of (1) should go. I submit a draft.

K. Ashton
25/11.

✓ 2/ To Brunei - Desp N26 - (1) accts.

Cons 30 NOV 1949

3/ To Lt/Cdr. Monk, J.I.B. — (COPY) — 25.11.49

Put by.

M. Scott
30/11.

No reply to 2. Wait.

O.O.-Hood 31/11.

In view of the last 8 words of (2) I don't think
we need worry Brunei for a reply. Wait.

M. Scott.
31/11.

Copy for 59710/4/49
The Church House,
Great Smith Street,
S.W.1.

3/
25 November, 1949.
6

22693/49

Dear Monk,

I enclose for your information an extract from an outline development plan for the Protected State of Brunei, referring to possible port developments in the State over the next eight years. As the estimated sum available from the funds of the State for such developments would be only \$50,000 (£5,800) per annum, you will appreciate that these improvements so far as they are financed from government sources, are unlikely to be on a very ambitious scale.

Yours sincerely,

(J.D.B. Shaw)

LIEUTENANT COMMANDER W. B. MONK,
JOINT INTELLIGENCE BUREAU,
7, BRYANSTON SQUARE,
W.1.

59710/49

BRUNEI

NO. 26

The Colonial Office,
The Church House,
Great Smith Street,
S.W.1.

30th November, 1949

Sir,

I have the honour to refer to your despatch No. 5 on the subject of the proposed division of public expenditure in the State of Brunei over the years 1948-1957 inclusive, and to say that it has been read with interest and appreciation.

I shall be glad if you will give more detailed information about the development projects summarised therein as and when they are put into effect.

I have the honour to be,
Sir,
Your most obedient,
humble servant,

(sgd) A. Cresch Jones

THE HIGH COMMISSIONER
FOR BRUNEI.

7/11/49

59710/1/49

BRUNEI

NO. 26



THE COLONIAL OFFICE,
The Church House,
Great Smith Street,
London, S.W.1.

8 2/
30 November, 1949

Sir,

I have the honour to refer to your despatch No. 5, on the subject of the proposed division of public expenditure in the State of Brunei over the years 1948-1957 inclusive, and to say that it has been read with interest and appreciation.

I shall be glad if you will give more detailed information about the development ~~profits~~ summarised therein as and when they are put into effect.

I have the honour to be,
Sir,

Your most obedient,
humble servant,

(Sd) A. Cross Jones

59710/1/49

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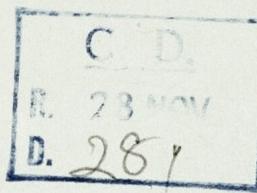
Mr. Ashton 27/11
 Sir M^r. G. Whiteley 26/11
 Mr.
 Mr.
 Mr.
 Mr.

Permit. U.S. of S.

Parly. U.S. S.

Minister of State

Secretary of State



Your Reference.....

DRAFT. DESPATCH

No. 26

HIGH COMMISSIONER ~~for~~
BRUNEI.

Sir,

(1)

I have etc., to refer to your despatch No.5, on the subject of the proposed division of public expenditure in the State of Brunei over the years 1948-1957 inclusive, and to say that it has been read with interest and appreciation.

I shall be glad if you ~~can~~ ^{will} give me ~~more~~ ^{more} ~~detailed~~ ^{PROJECTS} information about the development ~~as~~ ^a projects summarised therein, as and when they are put into effect.

~~No doubt, too, your usual Annual Reports will~~
~~usually~~ indicate the amount of progress made by
~~the end of~~ each year in each field of development.

I have, etc.,

(sgd) A. Creech Jones

FURTHER ACTION.

81
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FS/TKF.

Telegraphic Address :—
"HIGHCOMA KUCHING"

Ref. 13/HCO/101

OFFICE OF HIS EXCELLENCY
THE HIGH COMMISSIONER
FOR BRUNEI.

Kuching, Sarawak.

BRUNEI

24^A September, 1949.

NO. 5

Sir,

I have the honour to refer to your despatch No. 9 dated 27th May, 1949, and to submit an outline plan which illustrates, in general terms, the proposed division of public expenditure over the ten years to 1957.

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597101+9 2. This outline, based on a memorandum prepared by the Development Secretary, Sarawak, in 1948 on the economic and financial situation of the State, estimated that a sum of \$25,000,000 would be available from the annual surpluses of Revenue over Expenditure for development and welfare programmes.

3. While it now appears probable that this surplus has been underestimated, this figure has been accepted as the basis upon which a rough plan could be drawn up and it has been decided that \$10,000,000 might be set aside, over the next 10 years, with a provisional breakdown as follows:-

A.	Rural development (principally agriculture and forestry)	...	\$2,000,000	200,000
B.	Fisheries development	1,000,000	100,000	
C.	Development of internal communications as distinct from rehabilitation of existing communications	...	2,000,000	200,000
D.	Development of ports and harbours	500,000	50,000	
E.	Medical and Health Services	2,000,000	200,000	
F.	Educational Development	2,000,000	200,000	
G.	Other unclassified economic development	500,000	50,000	

/4.

The Right Honourable A. Creech Jones,
P.C., M.P., etc., etc.,
Colonial Office,
London, S.W.1.

4. The objects in view are roughly as follows:-

A. Rural development.

- (i) The application of improved methods and increased efficiency of the production of those foodstuffs in which the State is not yet self-sufficient; the principal commodity involved is, of course, rice.
- (ii) The identification and development of suitable alternative crops to rubber.
- (iii) The rationalisation, principally by way of co-operative production, of the peasant rubber industry.
- (iv) The development as an economic resource, of Brunei's forestry assets.

B. Fisheries development.

The exploration of new waters and development of a deep-sea fishing technique, rather than by development of existing methods in estuarine and inshore waters; the object being not merely to exploit deep-sea fisheries resources by the use of State-owned vessels and equipment, but to induce local interests - perhaps in the form of co-operatives - to venture into the same field of activity.

C. Development of Internal Communications.

This would have to be linked very closely to rural development, with special reference to the communications necessary to exploitation of the forest estate, linked both with the water transport system and the general main road development plan. Provision would also be required for the extension of telecommunications.

D. Development of ports and harbours.

The principal projects in this connection would be the development of port and harbour facilities at Muara; this project is not entirely dependent for its importance upon the Oil Companies' intention to develop Muara for their main imports and exports and, perhaps, as a site for a refinery, since it is possible that Muara might prove to be a more suitable entrepot port than Labuan and may, therefore, be extensively utilised by shipping independently of the Oil Companies' trade. It is also possible that general trade developments may require and justify increased wharf and godown accommodation at Brunei itself.

E. Development of Medical and Health Services.

- (i) Provision of an expanding hospital service to meet increasing demand resulting from improved communications and education of the people to use the service.
 - (ii) (a) Extension of the present dispensary service and its expansion to provide ante-natal care, child welfare, maternity service, school medical work, health education, improvement of rural sanitation and hygiene.
(b) Provision of travelling dispensaries on the rivers of the State to provide a simple curative service to the people in more remote places and to link up such places with the main dispensaries or health centres, and, ultimately, with the hospital service.
 - iii) Recruitment of additional medical staff to operate the expanding services and training of local personnel to man it.
 - (iv) Provision of special services, i.e. Tuberculosis, Leprosy, Mental Disease.
 - (v) Special Investigations, e.g. Malaria Surveys, Nutritional Surveys.

F. Educational development.

- (i) The rapid extension and improvement of the Primary School system; with the ultimate objective of providing, as soon as possible, free primary education for boys and girls of all races.
 - (ii) The establishment of Middle, Secondary and Vocational Schools to provide Post-Primary Courses carefully designed to meet the needs of the State.
 - (iii) Scholarships to enable a limited number of students to continue their studies at Colleges or Universities in Malaya. Full use should also be made of Scholarships available under the Colonial Development and Welfare Scheme, the Nuffield Foundation and the British Council for higher education in the United Kingdom as soon as suitable candidates are available.
 - (iv) Greatly increased facilities for training teachers, both male and female, for all grades of schools.
 - (v) Increased facilities for the teaching of English throughout all stages of the educational system.
 - (vi) The early appointment of a qualified and experienced Education Officer to be in charge of the Education Department. It will be necessary during the ten-year

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period to appoint further trained graduates to staff the Secondary schools.

- (vii) The formation of a Central Advisory Council on Education representative of the chief educational agencies and influences in the State; the advisability of constituting Local Committees being kept constantly in view.
- (viii) Co-operation with other Government departments and voluntary agencies in organising Mass Education Schemes.
- (ix) Assistance in preparing and implementing plans for the introduction and extension of Social Welfare Services.

G. Unclassified economic development.

There are a number of minor and cottage domestic industries ranging from weaving to the production of Silverware, none of which make any noticeable contribution to the external economy of the State. The allocation proposed is for the betterment of these industries. It is very probable that some of them will repay financial support and that some of their products may develop small export markets.

5. At a Conference in October, 1948, presided over by Sir Charles Noble Arden Clarke at which the British Resident, Brunei, and all Heads of Departments were present, this programme was discussed at length and accepted in principle as a guide for future expenditure of all surplus revenues subject to the availability of staff and materials.

I have the honour to be,
Sir,
Your obedient servant,

High Commissioner for
Brunei.

1949

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Proposed Division of Public Expenditure up to 1957. 1949. MS
Records of the British Colonial Office CO 943/1/18. The National
Archives (Kew, United Kingdom). State Papers Online Colonial,
[link.gale.com/apps/doc/KRARUG931735046/SPOC?](http://link.gale.com/apps/doc/KRARUG931735046/SPOC?u=omni&sid=bookmark-SPOC&pg=1)
u=omni&sid=bookmark-SPOC&pg=1. Accessed 21 Dec. 2024.